

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
BAKERSFIELD FIELD OFFICE  
DOI-BLM-CA-C060-2012-0247-EA**

**FINDING OF NO SIGNIFICANT IMPACT**

**May 22, 2013 Oil and Gas Competitive Lease Sale**

**BACKGROUND**

The Bureau of Land Management (BLM) has prepared an Environmental Assessment (EA) to analyze the potential effects from offering for lease the federal minerals on seven lease parcels administered by the Bakersfield Field Office. These parcels encompass 1,278.06 acres of federal mineral estate in Kern and Fresno counties. The lease sale is scheduled to occur on May 22, 2013.

It is the policy of the BLM as derived from various laws, including the Mineral Leasing Act of 1920, as amended and the Federal Land Policy and Management Act of 1976, to make mineral resources available for disposal and to encourage development of mineral resources to meet national, regional, and local needs. In accordance with Section 5102(2)(1)(A) of the Federal Onshore Oil and Gas Leasing Reform Act of 1987, the BLM has the responsibility to conduct competitive oil and gas lease auctions whenever eligible lands are available for leasing.

**FINDING OF NO SIGNIFICANT IMPACT**

On the basis of the information contained in the EA, and all other information available to me, it is my determination that: (1) the implementation of the Proposed Action will not have significant environmental impacts beyond those already addressed in the Caliente Resource Management Plan and the 1995 Hollister Oil and Gas Resource Management Plan Amendment; (2) the Proposed Action is in conformance with the Resource Management Plans; and (3) thus, the offering of 1,278.06 acres for lease at the May 22, 2013 Oil and Gas Competitive Lease Auction does not constitute a major federal action having a significant effect on the human environment. Therefore, an environmental impact statement or a supplement to the existing environmental impact statement is not necessary and will not be prepared. Any future proposed development on lease parcels would be subject to additional site-specific NEPA analysis and documentation.

With regard to the issue of the potential for hydraulic fracturing to result from the lease sale and any subsequent effects of this production enhancement technique, as discussed in the EA, very few of the federal leases issued over the past 10 years have experienced any exploration or development drilling. The EA does acknowledge the possibility that drilling on new leases may increase, but it is expected to be a slow increase in the number of new federal leases actually developed based not only on historic data, but the limited success in shale oil activity on new leases in California. The EA acknowledges that hydraulic fracturing is occurring in California; it also notes, however, that there is not enough data to make more accurate projections of where activity might occur and whether it would be successful (EA, p. 29). At the leasing stage there is no reliable information available on where, how, and if these resources would be developed, therefore withholding analysis of impacts until a development proposal is submitted is the only meaningful way to analyze such issues as air quality impacts, water quality

impacts, and infrastructure extensions because analyzing site-specific impacts across large tracts of lands that may or may not be developed is not feasible.

This finding is based on my consideration of the Council on Environmental Quality's (CEQ) criteria for significance (40 CFR 1508.27), both with regard to the context and to the intensity of the impacts described in the EA.

## **Context**

The proposed action would occur within the Bakersfield Field Office boundary. The project directly involves 1,278.06 acres of federal minerals administered by the BLM. The purpose of offering parcels for competitive oil and gas leasing is to provide opportunities for private individuals or companies to explore for and develop federal oil and gas resources after receipt of necessary approvals and to sell the federal oil and gas in public markets. This proposed action is limited to issuance of a lease and would not authorize any surface disturbing activities on parcels overlying federal mineral estate. The EA clearly explains there is a review process required before oil and gas drilling can occur, which is described in detail at 43 CFR 3100 and in BLM Manual 3160.

The competitive oil and gas lease auction of parcels located in the San Joaquin Valley portion of California does not in and of itself have international, national, regional, or state-wide importance. These parcels are located in a region where development of oil and gas has occurred for over a century. Impacts from the lease sale and potential subsequent development activities would be localized in nature.

## **Intensity**

I have considered the potential intensity/severity of the impacts anticipated from the competitive oil and gas lease auction decision relative to each of the ten areas suggested for consideration by the CEQ with regard to each:

### ***1. Impacts that may be both beneficial and adverse.***

The competitive oil and gas lease auction does not automatically produce effects as it does not authorize surface disturbance. By incorporating the design stipulations, the potential for, and intensity of, adverse effect is considered low. No significant adverse impacts (site specific or cumulative) have been identified. There would likely be some beneficial economic effects from the proposed action, but there would not be any measurable impact to the local economy.

### ***2. The degree to which the proposed action affects public health and safety.***

The sale and issuance of leases poses no threat to public health and safety since this is strictly an administrative action. Any future exploration and development projects will be subject to site-specific NEPA analysis and documentation that will identify potential impacts to public health and safety as well as measures designed to minimize or eliminate impacts to public health and safety.

### ***3. Unique characteristics of the geographic area such as proximity of historic or cultural resources, park lands, prime farmlands, wetlands, wild and scenic rivers, or ecologically critical areas.***

The proposed lease parcels are not in close proximity to parklands, prime farmlands, wetlands, wild and scenic rivers or ecologically critical areas that would be adversely affected by the proposed action. The historic and cultural resources of the analysis are have been reviewed by BLM; stipulations have been identified to avoid potential impacts to cultural resources. Any future project development within the leases will require additional site-specific cultural resource compliance.

***4. The degree to which the effects on the quality of the human environment are likely to be highly controversial.***

No anticipated effects have been identified that are controversial as the sale and issuance of leases will not result in site disturbing activities. While the BLM proposed action may be somewhat controversial to some members of the public, the BLM proposed action conforms to current land use plan guidance that allocated federal mineral estate administered by the BLM as either available or administratively unavailable for oil and gas leasing. As a factor for determining within the meaning of 40 C.F.R. § 1508.27(b)(4) whether or not to prepare a detailed environmental impact statement, “controversy” is not equated with “the existence of opposition to a use.” *Northwest Environmental Defense Center v. Bonneville Power Administration*, 117 F.3d 1520, 1536 (9th Cir. 1997). “The term ‘highly controversial’ refers to instances in which ‘a substantial dispute exists as to the size, nature, or effect of the major federal action rather than the mere existence of opposition to a use.’” *Hells Canyon Preservation Council v. Jacoby*, 9 F.Supp.2d 1216, 1242 (D. Or. 1998). Subsequent development of lease parcels would be subject to site-specific analysis and documentation in compliance with NEPA.

***5. The degree to which the possible effects on the human environment are highly uncertain or involve unique or unknown risks.***

There will be no direct impacts on the human environment as a result of a competitive lease auction of the federal mineral estate. The proposed action of selling oil and gas leases is not unique or unusual; the State and private mineral owners also sell oil and gas leases. The EA describes typical exploration and development activities that could occur on a federal lease along with the potential impacts from those activities as well as mitigation measures designed to minimize or eliminate impacts. The conditions present within the parcels are similar to oil and gas lease sales that have been conducted in the Bakersfield Field Office in the past, and analysis based on the reasonable foreseeable development scenario predicted no effects on the human environment that are considered to be highly uncertain or involve unique or unknown risks.

***6. The degree to which the action may establish a precedent for future actions with significant effects or represents a decision in principle about a future consideration.***

The proposed action does not establish a precedent for any future actions. The federal oil and gas lease does not authorize any exploration or development activities; however, the lease provides the lessee the right to explore and develop oil and gas resources after receipt of necessary approvals. Any surface disturbing activity requires prior approval of the BLM that would include a site-specific evaluation and compliance with NEPA requirements.

***7. Whether the action is related to other actions with individually insignificant but cumulatively significant impacts.***

The proposed action by itself or in connection with other activities would not have significant impacts. The project is consistent with the actions and impacts anticipated in the Caliente RMP, as amended and the 1995 Hollister Oil & Gas RMP Amendment.

***8. The degree to which the action may adversely affect districts, sites, highways, structures, or objects listed in or eligible for listing in the National Register of Historic Places or may cause loss or destruction of significant scientific, cultural, or historic resources.***

The lease auction will have no adverse effect upon cultural resources through the implementation of the Supplemental Procedures for Fluid Minerals Leasing, an amendment to the State Protocol Agreement Among the California State Director of the Bureau of Land Management and the California State Preservation Officer and the Nevada State Historic Preservation Officer regarding the manner in which the Bureau of Land Management will meet its responsibilities under the National Historic Preservation Act and The National Programmatic Agreement among the BLM, the Advisory Council on Historic Preservation, and National Conference of State Historic Preservation Officers. These

Supplemental Procedures state that a Class I record search and tribal consultation will be considered adequate inventory and identification methodology for the purposes of fluid minerals decision at the leasing stage.

The BLM Class I record search for the occurrence of any known prehistoric or historical period cultural sites for all seven of the proposed lease parcels resulted in the identification of cultural remains that are being treated as eligible for the National Register of Historic Places. The proposed action implements a No Surface Use lease stipulation to protect known cultural properties that will avoid impacts to these cultural remains. In addition, information on the proposed lease sale parcels, including maps, were mailed to members of the Native American community and federally recognized tribes known to have ancestral ties to these areas. The results of this tribal coordination indicated no tribal concerns regarding the process for proposed oil and gas leasing and the protection of cultural resources. Consequently a “No Adverse Effect” determination has been made for the proposed action. Therefore there are no impacts to known cultural resources or places of traditional cultural and religious importance to Native Americans from the proposed action.

This proposal and analysis deal only with the action of leasing, and does not consider ground disturbing activities. Any future project development within unsurveyed leases will require additional cultural resource compliance. As a result, the assessment of historical and cultural resources in the EA for the purposes of oil and gas leasing would neither affect any heritage resource eligible for listing in the National Register of Historic Places, nor cause loss or destruction of any significant scientific, cultural or historical resources.

***9. The degree to which the action may adversely affect an endangered or threatened species or its habitat that has been determined to be critical under the Endangered Species Act of 1973.***

The parcels proposed for leasing include habitat for the San Joaquin Valley Federally listed species, and there is a possibility that the habitat and/or listed species may be adversely impacted if a parcel is leased and subsequently developed. Stipulations designed to minimize impacts to special status species (federal and state listed, BLM sensitive) and their habitat have been included in the proposed action. Additionally, as described in the EA (page 43-44) any development proposal will be subject to site-specific NEPA and ESA review, including species and habitat surveys, mitigation measures, and compensation such as those contained in the Oil and Gas Programmatic Biological Opinion (1-1-01F-0063).

The potential impacts from subsequent lease development, however, are within the range of impacts described and analyzed in the Caliente RMP/EIS (1997) and its associated Biological Opinion by USFWS (1997) that concluded oil and gas leasing, exploration and development as proposed in the RMP was not likely to jeopardize the continued existence of these species. The Hollister Oil & Gas RMP Amendment/EIS (1995) and its associated Biological Opinion by USFWS, October 24, 1994 acknowledge that some incidental mortality could occur from exploration and development activities outside the developed oil fields, and that these activities may affect the federally endangered species, but these activities are not likely to jeopardize the continued existence of these endangered species.

***10. Whether the action threatens a violation of Federal, State, or local law or requirements imposed for the protection of the environment.***

The proposed action does not violate federal, state, or local laws or requirements. It is fully consistent with the 1997 Caliente Resource Management Plan and the 1995 Hollister Oil and Gas Resource Management Plan Amendment. This EA is in full compliance with the National Environmental Policy Act of 1969 and is consistent with the Federal Land Policy and Management Act of 1976, the Endangered Species Act; the Native American Religious Freedom Act; other cultural resource management laws and regulations; Executive Order 12898 regarding Environmental Justice; and

Executive Order 13212 regarding potential adverse impacts to energy development, production, supply and/or distribution.

/s/ James G. Kenna  
State Director, California

2/20/2013  
Date